

AMENDED IN ASSEMBLY APRIL 18, 2005

CALIFORNIA LEGISLATURE—2005—06 REGULAR SESSION

ASSEMBLY BILL

No. 852

**Introduced by Assembly Member Leno
(Coauthor: Assembly Member Torrico)**

February 18, 2005

An act to amend Section 1190 of the Harbors and Navigation Code, relating to ports and harbors, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 852, as amended, Leno. Ports and harbors: San Francisco Bar Pilots.

Existing law requires every vessel spoken inward or outward bound to pay a rate of bar pilotage through the Golden Gate and into or out of the Bays of San Francisco, San Pablo, and Suisun of \$8.11 per draft foot of the vessel's deepest draft and fractions of a foot pro rata, and an additional charge of 73.01 mills per high gross registered ton, as specified.

Existing law authorizes the mill rates to be changed to, among other things, include an incremental rate of additional mills per high gross registered ton as is necessary and authorized by the Board of Pilot Commissioners to recover the pilots' costs of obtaining new pilot boats. All moneys received by the board are required to be deposited in the Board of Pilot Commissioners' Special Fund, a continuously appropriated fund.

This bill, additionally, would authorize the mill rates to be changed to include an incremental rate of additional mills per high gross registered ton as is necessary and authorized by the board to recover the pilots' costs of funding design and engineering modifications for the purposes of extending the service life of existing pilot boats,

excluding costs for repair or maintenance. *The bill would require net proceeds from the sale of existing pilot boats to be used for the additional purpose of reducing debt on the new pilot boats and any debt associated with the modification of pilot boats under these provisions. The bill would authorize the board to adjust a pilot boat surcharge to reflect any associated operational savings resulting from the modification of pilot boats under these provisions, including reduced repair and maintenance expenses.*

Because this bill authorizes the expenditure of money in a continuously appropriated fund for a new purpose, the bill would make an appropriation.

Vote: majority. Appropriation: yes. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 1190 of the Harbors and Navigation
2 Code is amended to read:

3 1190. (a) Every vessel spoken inward or outward bound shall
4 pay the following rate of bar pilotage through the Golden Gate
5 and into or out of the Bays of San Francisco, San Pablo, and
6 Suisun:

7 (1) Eight dollars and eleven cents (\$8.11) per draft foot of the
8 vessel's deepest draft and fractions of a foot pro rata, and an
9 additional charge of 73.01 mills per high gross registered ton as
10 changed pursuant to law in effect on December 31, 1999. The
11 mill rates established by this paragraph may be changed as
12 follows:

13 (A) (i) On and after January 1, 2007, if the number of pilots
14 licensed by the board is reduced to 60 pilots, for any subsequent
15 decrease in the number of pilots, the mill rate then in effect shall
16 be decreased by an incremental amount that is proportionate to
17 one-half of the last audited annual average net income per pilot
18 for each pilot licensed by the board below 60 pilots.

19 (ii) On and after January 1, 2007, if the number of pilots
20 licensed by the board falls below 60, for any subsequent increase
21 in the number of pilots, the mill rate then in effect shall be
22 increased by an incremental amount that is proportionate to
23 one-half of the last audited annual average net income per pilot

1 for each new pilot that results in an increase in the number of
2 pilots then licensed by the board.

3 (iii) The incremental mill rate adjustment authorized by this
4 subparagraph shall be calculated using the data reported to the
5 board for the number of gross registered tons handled by pilots
6 licensed under this division during the same 12-month period as
7 the audited annual average net income per pilot. The incremental
8 mill rate adjustment shall become effective at the beginning of
9 the quarter (January 1, April 1, July 1, or October 1) as directed
10 by the board.

11 (B) There shall be an incremental rate of additional mills per
12 high gross registered ton as is necessary and authorized by the
13 board to recover the pilots' costs of obtaining new pilot boats and
14 of funding design and engineering modifications for the purposes
15 of extending the service life of existing pilot boats, excluding
16 costs for repair or maintenance. The incremental mill rate charge
17 authorized by this subparagraph shall be identified as a pilot boat
18 surcharge on the pilots' invoices and separately accounted for in
19 the accounting required by Section 1136. Net proceeds from the
20 sale of existing pilot boats shall be used to reduce the debt on the
21 new pilot boats *and any debt associated with the modification of*
22 *pilot boats under this subparagraph. The board may adjust a*
23 *pilot boat surcharge to reflect any associated operational*
24 *savings resulting from the modification of pilot boats under this*
25 *subparagraph, including, but not limited to, reduced repair and*
26 *maintenance expenses.*

27 (C) In addition to the rate change specified in subparagraph
28 (A) and the incremental rate specified in subparagraph (B), the
29 mill rate established by this subdivision may be adjusted at the
30 direction of the board if, after a hearing conducted pursuant to
31 Article 9 (commencing with Section 11120) of Chapter 1 of Part
32 1 of Division 3 of Title 2 of the Government Code, the board
33 determines that there has been a catastrophic cost increase to the
34 pilots that would result in at least a 2-percent increase in the
35 overall annual cost of providing pilot services.

36 (2) A minimum charge for bar pilotage shall be six hundred
37 sixty-two dollars (\$662) for each vessel piloted.

38 (3) The vessel's deepest draft shall be the maximum draft
39 attained, on a stillwater basis, at any part of the vessel during the
40 course of such transit inward or outward.

(b) The rate specified in subdivision (a) shall apply only to a pilotage that passes through the Golden Gate to or from the high seas to or from a berth within an area bounded by the Union Pacific Railroad Bridge to the north and Hunter's Point to the south. The rate for pilotage to or from the high seas to or from a point past the Union Pacific Railroad Bridge or Hunter's Point shall include a movement fee in addition to the basic bar pilotage rate as specified by the board pursuant to Section 1191.

(c) The rate established in paragraph (1) of subdivision (a) shall be for a trip from the high seas to dock or from the dock to high seas. The rate specified in Section 1191 shall not be charged by pilots for docking and undocking vessels. This subdivision does not apply to the rates charged by inland pilots for their services.

(d) The board shall determine the number of pilots to be licensed based on the 1986 manpower study adopted by the board.

(e) Consistent with the board's May 2002 adoption of rate recommendations, the rates imposed pursuant to paragraph (1) of subdivision (a) that are in effect on December 31, 2002, shall be increased by 4 percent on January 1, 2003; those in effect on December 31, 2003, shall be increased by 4 percent on January 1, 2004; those in effect on December 31, 2004, shall be increased by 3 percent on January 1, 2005; and those in effect on December 31, 2005, shall be increased by 3 percent on January 1, 2006.